



COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 437  
LOS ANGELES, CA 90012



**MARK J. SALADINO**

TREASURER AND TAX COLLECTOR

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October 18, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AMENDMENT NUMBER FOUR TO  
AGREEMENT NUMBER 72748 WITH WAUSAU FINANCIAL SYSTEMS, INC.  
TO EXTEND THE TERM OF AGREEMENT  
(3 VOTES)**

**CIO RECOMMENDATION: ( X ) APPROVE ( ) APPROVE WITH MODIFICATION  
( ) DISAPPROVE**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chair to sign the attached Amendment Number Four to Agreement Number 72748 (Exhibit 1) with Wausau Financial Systems, Inc. (WFS), which extends the term of the Agreement, including maintenance and support services on a month-to-month basis, at the County's option, through June 30, 2006, which will increase the maximum County obligation by \$137,900 for a total of \$3,835,779 over the entire term of the Agreement.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On June 6, 2000, your Board approved an Agreement with WFS for a Remittance Processing and Image Archive System (System). This System was implemented in August 2000 and currently processes over eight (8) million payment transactions per year for various accounts receivable applications, including property tax. The Remittance Processing component of the System provides an enhanced automated payment process including, daily bank deposits, while the Image Archive component of the System supports the imaging of the payment transactions and provides a search engine to facilitate the archiving and research associated with the processed transactions.

On three subsequent occasions, the Board approved Amendments to the Agreement with WFS for System enhancements. Amendment Number One provided software, hardware and professional services to upgrade the Image Archive component of the System with a more robust document imaging and management system called Optima 3 IMS. Amendment Number Two provided for a hardware and system software upgrade to the Remittance Processing component of the System to accommodate the Treasurer and Tax Collector's (TTC) conversion

to the latest supported version of the Microsoft server and client operating system software. Amendment Number Three expanded the electronic document management capabilities of the Remittance Processing and Image Archive component of the System by consolidating mail extraction and document imaging processes, extended the term of the Agreement for six (6) months to complete the System capabilities expansion, and endorsed the majority ownership transfer from WFS to the Frontenac Company, Inc.

All System changes brought about by Amendments One, Two and Three have been installed and implemented. However, the System has not yet met the System performance requirements, including System response time warranty and deficiency-free production use of the System for thirty (30) consecutive days, as required by the Agreement. TTC has worked with WFS to agree on a revised schedule to resolve these performance requirements and, pursuant to the Agreement, is withholding payments associated with these key deliverables until the requirements are met.

Amendment Number Four to the Agreement will extend the term of the Agreement on a month-to-month basis, at County's option, through June 30, 2006, to allow continuation of maintenance and support services and to complete testing of all System enhancements during simulated as well as actual annual tax payment peak periods.

Upon successful completion of System testing and expiration of the extended term of this Agreement, it is TTC's intent to seek approval from your Board to enter into a separate maintenance and support agreement with WFS for continued maintenance and support of the System.

#### Implementation of Strategic Goals

The purpose of this Amendment Number Four is to complete testing of the System, including System enhancement, upgrade and expansion provided under Amendments Number One, Two and Three. The increased functionality and scope of the System due to such System enhancement, upgrade and expansion are in accordance with this Department's approved Business Automation Plan. Successful implementation and performance of the System, together with System enhancement, upgrade and expansion, will also meet the County's Strategic Plan Goals of Organizational Effectiveness and Service Excellence.

#### **FISCAL IMPACT/FINANCING**

The maximum amount of this Amendment Number Four is \$137,900 for continuing hardware and software maintenance and support services. The Department has funds appropriated in its current budget to cover the maximum amount of the Amendment.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County's Chief Information Officer concurs with the Department's recommendation (See attached analysis). The attached Amendment Number Four has been reviewed and approved as to form by County Counsel.

**IMPACT ON CURRENT SERVICES**

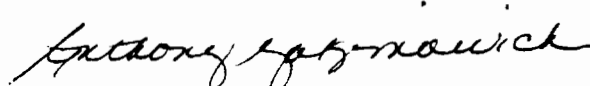
There is no impact on current services. TTC and WFS will conduct simulated System testing to identify and, if necessary, correct any deficiencies prior to actual production testing to be conducted during TTC's 2006 annual peak tax season. When fully implemented, the System will improve TTC's payment processing functions in its endeavor to better serve the public.

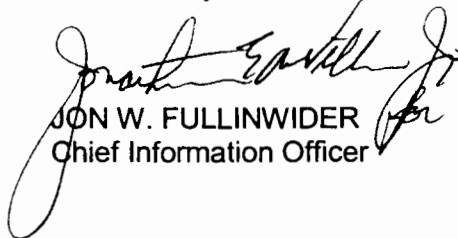
**CONCLUSION**

Instruct the Executive Officer/Clerk of the Board to return two (2) signed originals of Amendment Number Four to Agreement No. 72748 and one (1) adopted stamped Board letter to TTC.

Respectfully submitted,

Reviewed by:

(for)   
MARK J. SALADINO  
Treasurer and Tax Collector

  
JON W. FULLINWIDER  
Chief Information Officer

MJS:WMH

DHH:dhh

Attachments

c: Auditor-Controller  
Chief Administrative Officer  
Chief Information Officer  
County Counsel